

ABOVE THIS LINE FOR DIVISION USE ONLY

NEW MEXICO OIL CONSERVATION DIVISION  
- Engineering Bureau -

ADMINISTRATIVE APPLICATION COVERSHEET

THIS COVERSHEET IS MANDATORY FOR ALL ADMINISTRATIVE APPLICATIONS FOR EXCEPTIONS TO DIVISION RULES AND REGULATIONS

Application Acronyms:

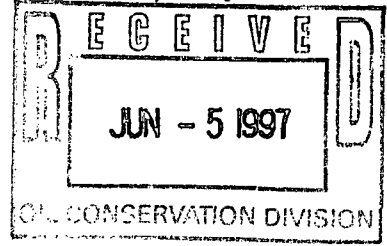
- [NSP-Non-Standard Proration Unit] [NSL-Non-Standard Location]
- [DD-Directional Drilling] [SD-Simultaneous Dedication]
- [DHC-Downhole Commingling] [CTB-Lease Commingling] [PLC-Pool/Lease Commingling]
- [PC-Pool Commingling] [OLS - Off-Lease Storage] [OLM-Off-Lease Measurement]
- [WFX-Waterflood Expansion] [PMX-Pressure Maintenance Expansion]
- [SWD-Salt Water Disposal] [IPI-Injection Pressure Increase]
- [EOR-Qualified Enhanced Oil Recovery Certification] [PPR-Positive Production Response]

[1] TYPE OF APPLICATION - Check Those Which Apply for [A]

- [A] Location - Spacing Unit - Directional Drilling  
☒ NSL ☐ NSP ☐ DD ☐ SD

Check One Only for [B] or [C]

- [B] Commingling - Storage - Measurement  
☐ DHC ☐ CTB ☐ PLC ☐ PC ☐ OLS ☐ OLM
- [C] Injection - Disposal - Pressure Increase - Enhanced Oil Recovery  
☐ WFX ☐ PMX ☐ SWD ☒ IPI ☐ EOR ☐ PPR



[2] NOTIFICATION REQUIRED TO: - Check Those Which Apply, or ☒ Does Not Apply

- [A] ☐ Working, Royalty, or Overriding Royalty Interest Owners
- [B] ☐ Offset Operators, Leaseholders or Surface Owner
- [C] ☐ Application is One Which Requires Published Legal Notice
- [D] ☐ Notification and/or Concurrent Approval by BLM or SLO  
U.S. Bureau of Land Management - Commissioner of Public Lands, State Land Office
- [E] ☐ For all of the above, Proof of Notification or Publication is Attached, and/or,
- [F] ☐ Waivers are Attached

[3] INFORMATION / DATA SUBMITTED IS COMPLETE - Statement of Understanding

I hereby certify that I, or personnel under my supervision, have read and complied with all applicable Rules and Regulations of the Oil Conservation Division. Further, I assert that the attached application for administrative approval is accurate and complete to the best of my knowledge and where applicable, verify that all interest (WI, RI, ORRI) is common. I further verify that all applicable API Numbers are included. I understand that any omission of data, information or notification is cause to have the application package returned with no action taken.

James Bruce  
P.O. Box 1086  
Santa Fe, NM 87504

Note: Statement must be completed by an individual with supervisory capacity.

Print or Type Name

James Bruce  
Signature

Attorney for Applicant  
Title

6/5/97  
Date

**JAMES BRUCE**  
ATTORNEY AT LAW

POST OFFICE BOX 1056  
SANTA FE, NEW MEXICO 87504

SUITE B  
612 OLD SANTA FE TRAIL  
SANTA FE, NEW MEXICO 87501

(505) 982-2043  
(505) 982-2151 (FAX)

June 5, 1997

Hand Delivered

Michael E. Stogner  
New Mexico Oil Conservation Division  
2040 South Pacheco Street  
Santa Fe, New Mexico 87505

Dear Mr. Stogner:

Pursuant to Division Rule 104.F(2), UMC Petroleum Corporation ("UMC") hereby applies for administrative approval of an unorthodox oil well location for the following well:

Rainier St. Well No. 1  
1300 feet FNL & 2310 feet FEL  
NW $\frac{1}{4}$ NE $\frac{1}{4}$  S28, Township 10 South, Range 37 East, NMPM  
Lea County, New Mexico

The well will be drilled to a depth sufficient to test the Devonian formation (North Echol-Devonian Pool). Well spacing is 40 acres. A Form C-102 for the well is attached as Exhibit A.

The proposed location is based upon geological and geophysical reasons. Attached as Exhibit B is a structure map on top of the Siluro-Devonian formation, based upon UMC's current interpretation of a 3D seismic survey. It shows that the proposed location is the structurally highest point in the prospect. Thus, the location provides the best chance to successfully encounter economical Siluro-Devonian pay. If the well is moved further south, there is a high risk of crossing the fault; if the well is moved to the north, it will not be at the highest structural position. Thus, placing the well at its proposed location reduces the risk involved in drilling the well.

Submitted as Exhibit C is a land plat of the subject area, with the location of the proposed well marked thereon. The W $\frac{1}{2}$ NE $\frac{1}{4}$  and E $\frac{1}{2}$ NW $\frac{1}{4}$  of Section 28 are subject to state leases V-4334 and V-4335, respectively. UMC owns 100% of the working interest in the leases, which have the same royalty rate (1/6th). Since working and

royalty interest ownership is common in the proposed well unit and in offsetting acreage, notice is not required to be given to any offset. As a result, UMC requests that the 20 day waiting period be waived.

This application is submitted in duplicate. Please call me if you need anything further on this matter.

Very truly yours,

A handwritten signature in cursive script that reads "James Bruce". The signature is written in dark ink and is positioned above the printed name.

James Bruce

Attorney for UMC  
Petroleum Corporation

cc: L. Smith

umc-aag.u01

DISTRICT I  
P.O. Box 1980, Hobbs, NM 88241-1980

DISTRICT II  
P.O. Drawer DD, Artesia, NM 88211-0719

DISTRICT III  
1000 Rio Brazos Rd., Aztec, NM 87410

DISTRICT IV  
P.O. Box 2088, Santa Fe, NM 87504-2088

State of New Mexico  
Energy, Minerals and Natural Resources Department

Form C-102  
Revised February 10, 1994  
Submit to Appropriate District Office  
State Lease - 4 Copies  
Fee Lease - 3 Copies

OIL CONSERVATION DIVISION

P.O. Box 2088  
Santa Fe, New Mexico 87504-2088

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number	Pool Code	Pool Name
Property Code	Property Name RAINIER STATE	Well Number 1
OGRID No.	Operator Name UMC PETROLEUM CORP.	Elevation 3944

Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
B	28	10 S	37 E		1300	NORTH	2310	EAST	LEA

Bottom Hole Location If Different From Surface

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
Dedicated Acres	Joint or Infill	Consolidation Code	Order No.						

NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED  
OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

				<p><b>OPERATOR CERTIFICATION</b></p> <p>I hereby certify the the information contained herein is true and complete to the best of my knowledge and belief.</p> <p>Signature _____</p> <p>Printed Name _____</p> <p>Title _____</p> <p>Date _____</p>
<p><b>SURVEYOR CERTIFICATION</b></p> <p>I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision and that the same is true and correct to the best of my belief.</p> <p>MAY 12, 1997</p> <p>Date Surveyed J. EIDSON JLP</p> <p>Signature &amp; Seal of Professional Surveyor </p> <p>W.O. Num. 97-110807</p> <p>Certificate No. .... JOHN W. WEST, 676 RONALD J. EIDSON, 3239 GARY G. EIDSON, 12641</p>				

EXHIBIT  
A

DISTRICT I  
P.O. Box 1980, Hobbs, NM 88241-1980

State of New Mexico  
Energy, Minerals and Natural Resources Department

Form C-102  
Revised February 10, 1984  
Submit to Appropriate District Office  
State Lease - 4 Copies  
Fee Lease - 3 Copies

DISTRICT II  
P.O. Drawer DD, Artesia, NM 88211-0719

DISTRICT III  
1000 Rio Brazos Rd., Aztec, NM 87410

OIL CONSERVATION DIVISION

P.O. Box 2088  
Santa Fe, New Mexico 87504-2088

DISTRICT IV  
P.O. Box 2088, Santa Fe, NM 87504-2088

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number	Pool Code	Pool Name
Property Code	Property Name RAINIER STATE	Well Number 1
OGRID No.	Operator Name UMC PETROLEUM CORP.	Elevation 3944

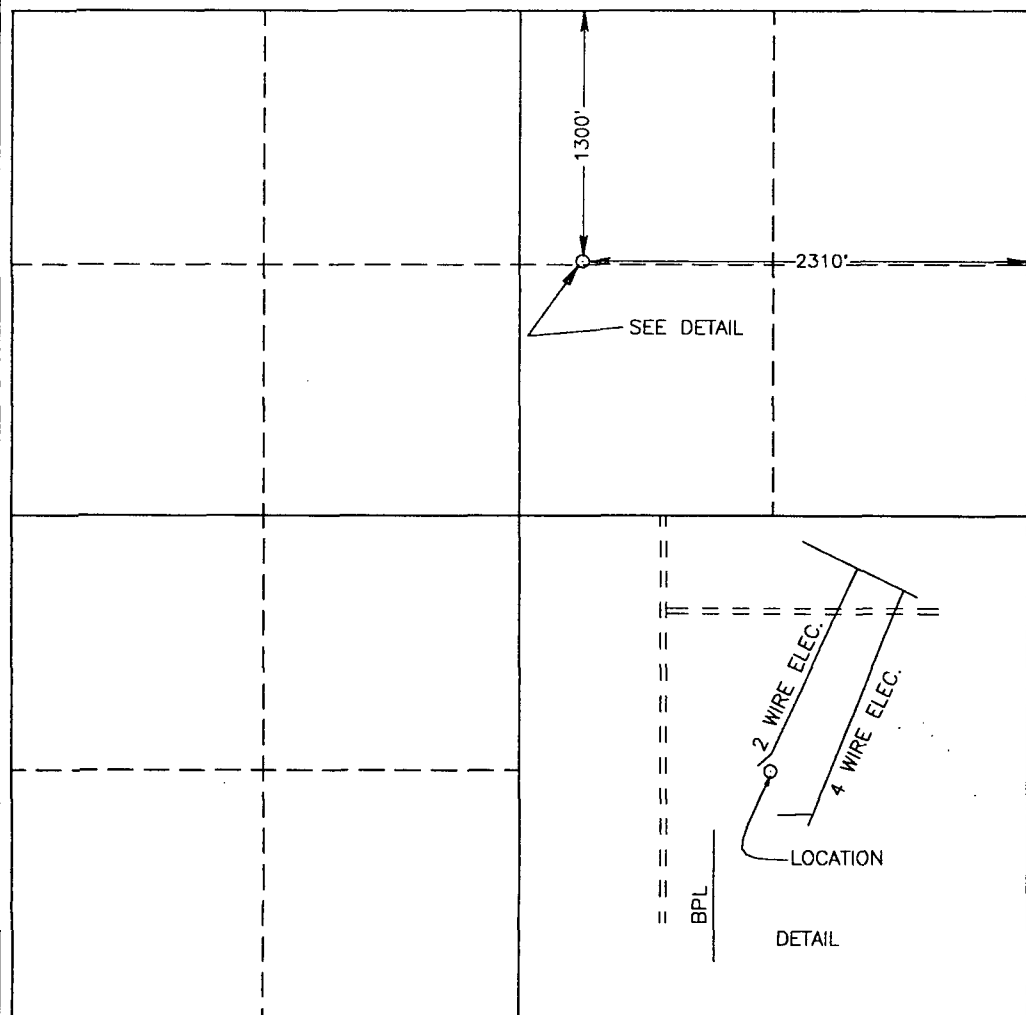
Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
B	28	10 S	37 E		1300	NORTH	2310	EAST	LEA

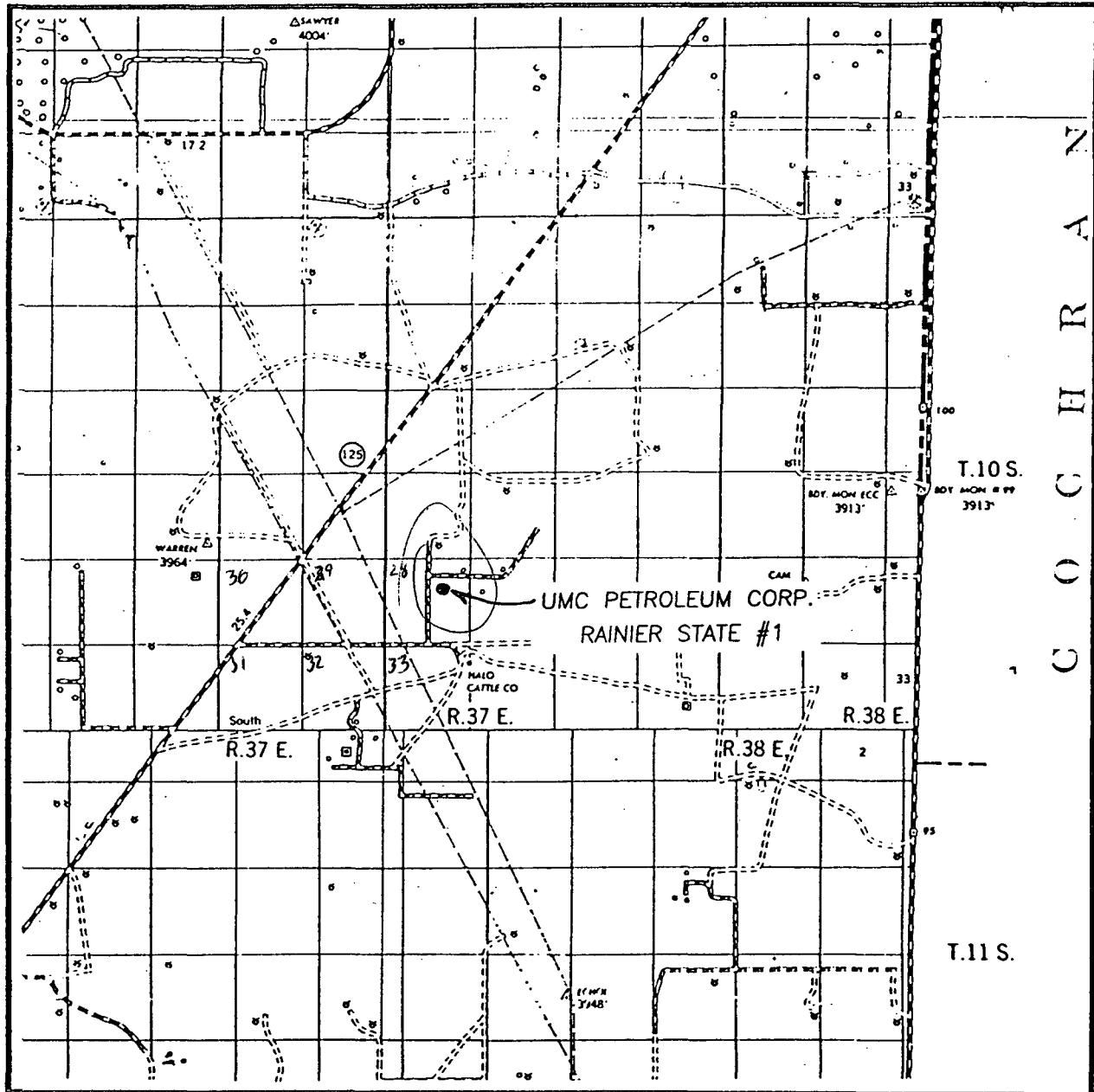
Bottom Hole Location If Different From Surface

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
Dedicated Acres	Joint or Infill	Consolidation Code	Order No.						

NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED  
OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

	<p><b>OPERATOR CERTIFICATION</b></p> <p><i>I hereby certify the the information contained herein is true and complete to the best of my knowledge and belief.</i></p> <p>Signature _____</p> <p>Printed Name _____</p> <p>Title _____</p> <p>Date _____</p> <p><b>SURVEYOR CERTIFICATION</b></p> <p><i>I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.</i></p> <p>MAY 12, 1997</p> <p>Date Surveyed _____ JLP</p> <p>Signature &amp; Seal of Professional Surveyor _____</p> <p>W.O. Num. 97-11-0807</p> <p>Certificate No. JOHN W. WEST, 676 RONALD J. EIDSON, 3239 GARY G. EIDSON, 12641</p>
---	--

# VICINITY MAP

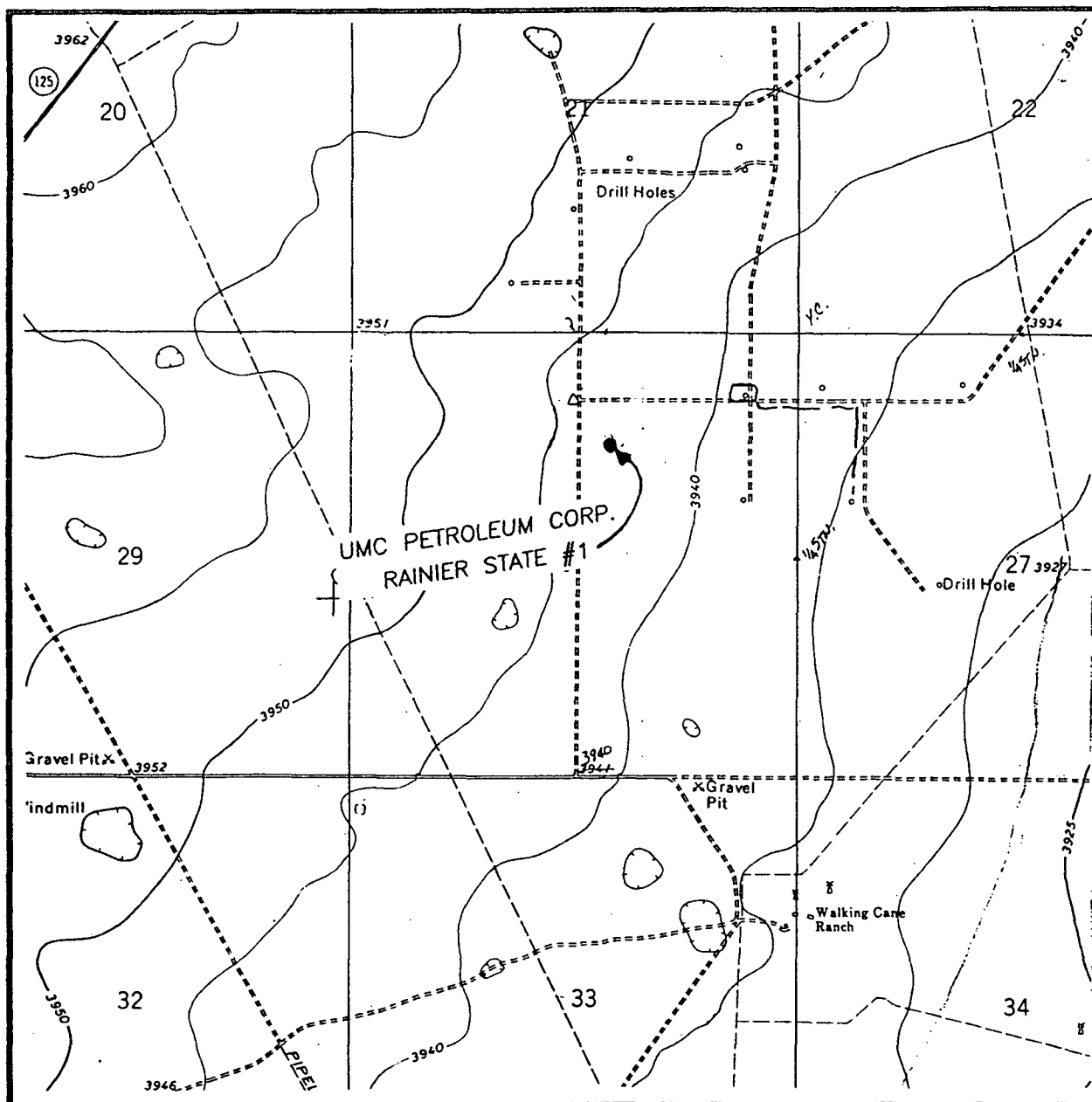


SCALE: 1" = 2 MILES

SEC. 28 TWP. 10-S RGE. 37-E  
 SURVEY N.M.P.M.  
 COUNTY LEA  
 DESCRIPTION 1300' FNL & 2310' FEL  
 ELEVATION 3944'  
 OPERATOR UMC PETROLEUM CORP.  
 LEASE RAINIER STATE

**JOHN WEST ENGINEERING**  
**HOBBS, NEW MEXICO**  
**(505) 393-3117**

# LOCATION VERIFICATION MAP



SCALE: 1" = 2000'

CONTOUR INTERVAL - 5'

SEC. 28 TWP. 10-S RGE. 37-E

SURVEY N.M.P.M.

COUNTY LEA

DESCRIPTION 1300' FNL & 2310' FEL

ELEVATION 3944'

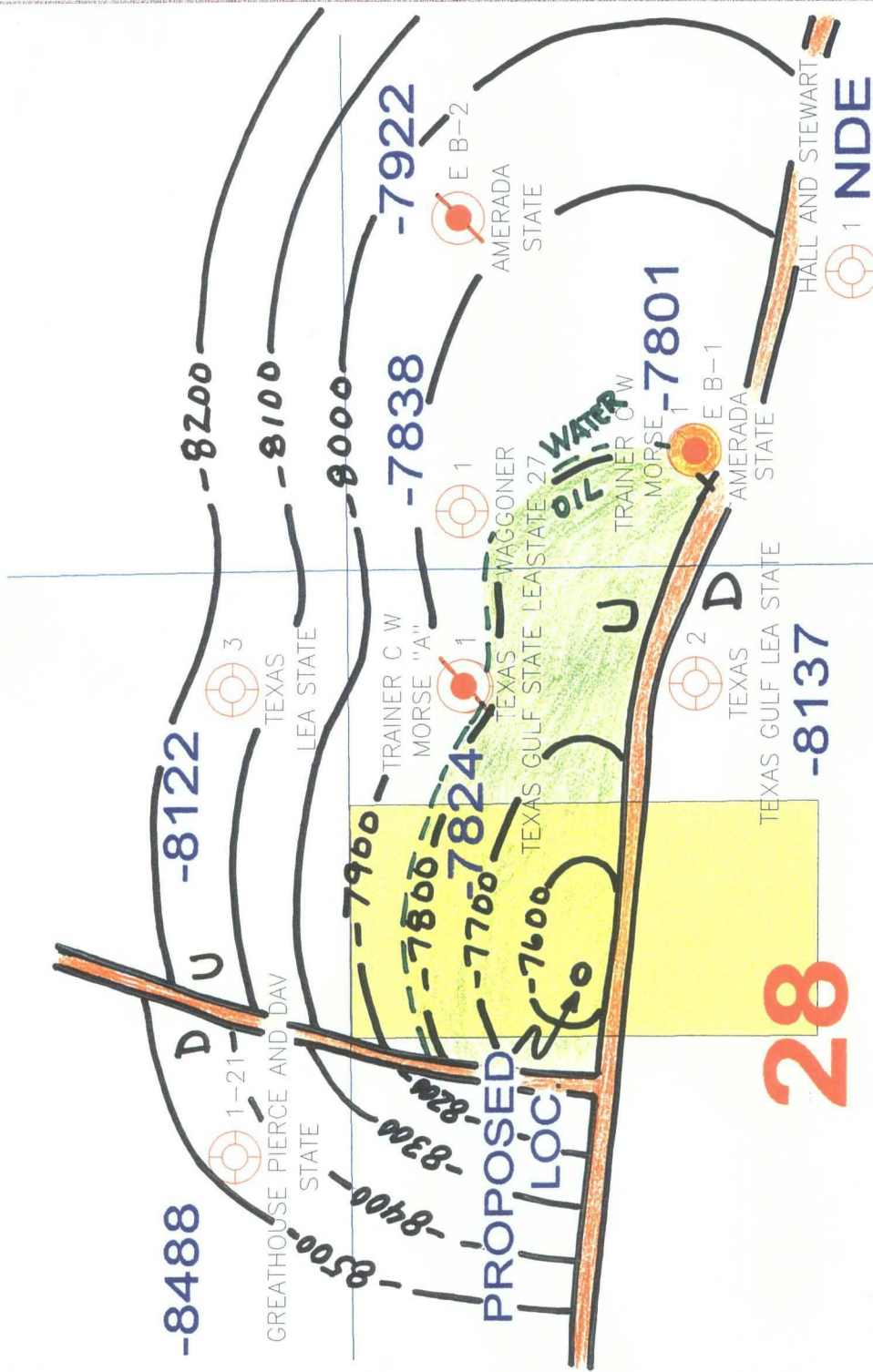
OPERATOR UMC PETROLEUM CORP.

LEASE RAINIER STATE

U.S.G.S. TOPOGRAPHIC MAP

WALKING CANE RANCH, N.M.

**JOHN WEST ENGINEERING**  
**HOBBS, NEW MEXICO**  
**(505) 393-3117**

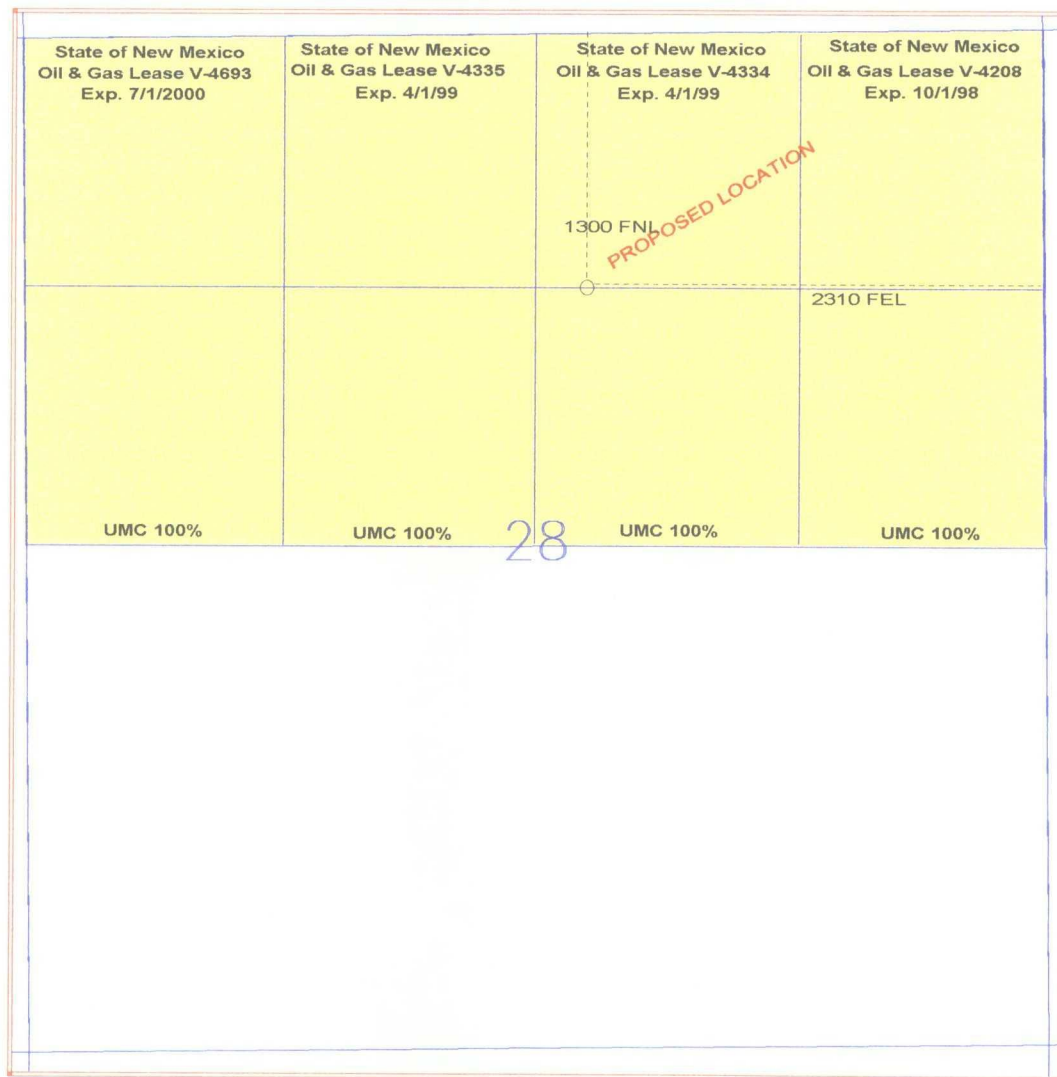


**Exhibit "B"**

UMC Petroleum Corporation		
SEC. 28, T-10-S R-37-E, LEA CO, NM Rainier State #1 - Unorthodox Loc Plat Structure - Top of Siluro-Devonian		
johm	CONTOUR INT-100'	5/7/97
jmr:ing:pf	Scale 1:12000	Structure



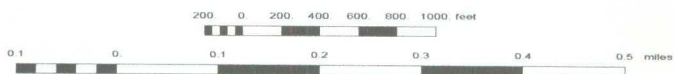
**R37E**



**T  
10  
S**



Scale 1:12000.



**UMC PETROLEUM CORPORATION**

**RAINIER STATE #1  
EXHIBIT C  
LEA COUNTY, NEW MEXICO**

LANDMAN

6/3/97

LAND TECH. SCHERFF

SMITH

Scale 1:12000.

RAINER.GPF

CMD :  
OG5SECT

ONGARD  
INQUIRE LAND BY SECTION

07/01/97 12:33:37  
OGOMES -EMFX  
PAGE NO: 1

Sec : 28 Twp : 10S Rng : 37E Section Type : NORMAL

D	C	B	A
40.00	40.00	40.00	40.00
SDSV	SDSV	SDSV	SDSV
V04693 07/00	V04335 04/99	V04334 04/99	V04208 10/98
YATES PETROLEUM C	YATES PETROLEUM C	YATES PETROLEUM C	YATES PETROLEUM C
			A
E	F	G	H
40.00	40.00	40.00	40.00
SDSV	SDSV	SDSV	SDSV
V04693 07/00	V04335 04/99	V04334 04/99	V04208 10/98
YATES PETROLEUM C	YATES PETROLEUM C	YATES PETROLEUM C	YATES PETROLEUM C

PF01 HELP	PF02	PF03 EXIT	PF04 GoTo	PF05	PF06
PF07 BKWD	PF08 FWD	PF09 PRINT	PF10 SDIV	PF11	PF12

COUNTY *Lea*POOL *North Echol-Devonian*

TOWNSHIP

*10-South*

RANGE

*37-East*

NMPM

6	5	4	3	2	1
7	8	9	10	11	12
18	17	16	15	14	13
19	20	21	22	23	24
30	29	28	27	26	25
31	32	33	34	35	36

*Description: Sec. 21, (R-175). - SW/4 Sec. 22; NW/4 Sec. 27; NE/4 Sec. 28; (R-512).*